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Transcript | Brookfield Corporation 2025 Investor Day
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OPENING REMARKS

Katie Battaglia, Vice President, Investor Relations

Good afternoon, everyone, and welcome to Brookfield Corporation's 2025 investor day. Thank you for joining us today, whether you're here in-person, participating virtually, as well as those who attended Brookfield Asset Management's presentation earlier today. We greatly appreciate your continued interest in Brookfield.

We have an exciting lineup for you this afternoon. We'll begin with opening remarks from our CEO, Bruce Flatt. Then, our president Nick Goodman, will provide an overview and the financial outlook for the Corporation. Next, we'll have a presentation from Kevin McCrain, Managing Partner in our Real Estate Group. We will then hear from Sachin Shah, CEO of Brookfield Wealth Solutions. And finally, we'll wrap up with a few closing remarks before opening the floor to a Q&A session.

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When we get to the Q&A, if you're here in the room, microphones will be available. We ask that you please wait until a mic reaches you before asking your question, so everyone can hear it clearly. For those of you joining virtually, you can submit your questions directly through the text box on your screen.

Following the Q&A, we will display a QR code. We kindly ask you to take a moment, scan the screen, and complete a brief survey. Your feedback is important, and helps us improve future events.

As always, I'd like to remind you that during the Q&A and throughout today's discussions, we may make forward-looking statements. These statements are predictions about future events and trends, and are subject to risk and uncertainties. Actual results may differ materially from those that we discuss today. For further details, please refer to our filings with the securities regulators in Canada and the U.S., and the cautionary statements contained within our presentation, which are all available on our brand-new website.

In addition, when we speak about our wealth solutions business, or Brookfield Wealth Solutions, we are referring to Brookfield's investment in this business that supported the acquisition of its underlying operating subsidiaries. And with that, please join me in welcoming our CEO, Bruce Flatt to the stage.

OUR EVOLUTION CONTINUES

Bruce Flatt, Chief Executive Officer

Good afternoon, everyone. Thanks for staying. I have a little bit of time to tell you about what we're doing with the business and giving you an overview. And as you know, we strive to be the leading global investment firm and continue to do that. I guess our number one goal is build long-term wealth for investors, clients, individuals, pension funds, sovereign funds around the world. And for 125 years, but some of us that are here for the last 30, 40 years, we've been building one of the largest discretionary pools of capital globally, which today on our balance sheet is around \$180 billion in capital, there's \$135 billion now in the insurance business, and just over a trillion dollars in the asset management business. And I'll talk about that a little bit later.

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Today the business is in 50 countries. Maybe the most importantly, it's built to be extremely nimble, and it sounds like at the scale that we operate at, you can't be nimble, but we try to always be very nimble to change and evolve our strategy over time.

But one thing we're not nimble with is our discipline on how we invest your money. That has led to 19% annualized returns for 30+ years, which always doesn't sound like that much, but that's a 27,000% return over 30 years. So, that's a pretty amazing return.

What that means is that if you look at these returns, the S&P 500 did 11%, we did 19%. That's 800 basis points more every single year for 30 years. It wasn't every single year, but on average, it was every single year.

What's more interesting, most investment strategies get worse as you get bigger. Our 20-year returns are 16%, our 10-year returns are 17%, our five-year returns are 22%. What it means is the business is maturing and getting better over time, and scale actually is assisting us getting better returns.

We've achieved that by evolving the business and innovating within the strategies, which I'll touch on. But the evolution, most importantly, is based on two things. One, we always adhere to the value investing tenets that we have within the company. And number two, we try to drive returns, as Anuj said earlier at the BAM presentation, out of our operating capabilities.

Over time, our evolution has been, I would say, continuing, but punctuated by some strategic things that we do every once in a while, which we spun our listed entities out in 2008, we started our wealth business in 2020, we spun off BAM in 2023, to mention three recent things, which I think were extremely important for the business in the short-term, will be very strategic in the long-term.

Most importantly, as I've said to many of you, I said it earlier, and I'll keep saying it, our view is that having access to capital wins. We've always tried to have the best access to capital. That started with institutional investors, is leading to private wealth, has always been with banking relationships, has public market access, and increasingly, the public float that we build within the business will be extremely important to us.

Innovation, on the other hand, drives long-term returns for our investors, and there's really just three things to make it simple that we do. We try to identify the trends on a big, global basis that are going to

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affect the world, that we can participate in. We take those, package them into products for our clients, which then enables us to attract scale capital within each sector.

Once we understand an industry, we move fast, and we deploy at scale. We're not early, but once we understand it, we move fast, and we deploy at scale. 50% of the assets that we operate with today didn't exist as an asset class for investible purposes 15 years ago. That's an evolution.

Our leadership position allows us to build differentiated products, and as you can see here, they're in all of our different businesses, and we keep expanding out tangentially within each of the businesses we have to either get other strategies, or to get other return profiles for investors that they're looking for.

But despite widening out and doing other things, our investment approach has remained consistent, and has, essentially, been a methodical and proven capital allocation process.

We operate with a value investing thesis taking moderate risk, aligning ourselves with our constituents, using our operating skills to squeeze extra returns out of it, and probably most importantly, the culture we have in the organization is extremely important.

This has driven 25 years of growth. AUM to a trillion dollars, operating income to \$19 billion, share price from \$2 to \$66.

So, you did that for me last year. What about this year? So, where are we now?

We're in the midst of three things going on with our business, which are going to foundationally change what we do in the business in a positive way.

AI is going to drive enormous things within owners of businesses, if you get it right, and we believe we can get it right. Second, aging populations are demanding wealth products, and are increasingly going to need those products to service their 401(k)s and other retirement systems. And, third, on a more micro level, the real estate recovery is here, and it's coming back. And I'll cover each of those.

On AI, you've seen our slides. This is a \$7 trillion opportunity. We're ideally suited, because of our power, our adjacencies, our compute infrastructure, our real estate businesses to participate in this. We have a number of AI factories that we're working on, which is around a \$200 billion investment project over

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the next while, and this is just the beginning, and it's really just the start of what's going on in the world on the infrastructure side. This is a multi-decade opportunity that possibly is the largest business within our company within 10 years. Second, the retirement landscape is undergoing a fundamental shift. Aging populations need savings. DC plans in the U.S. are opening up. Once they open up in the U.S., they're going to open up globally. And there's a structural need for wealth solutions.

The shift is very powerful. In the past, our money came from our balance sheet, it came from our asset management business. Increasingly, it's going to come from individuals and people seeking wealth.

Pension plans and sovereign plans, who we've generally sought capital for, is a \$22 trillion market. 401ks and wealth is \$40 trillion.

We expect this third source of capital to support a doubling of the inflows into our business across all the different channels, which I would say is \$100 billion from institutional funding annually, \$50 billion from annuities, \$50 billion from wealth. That's about double of what we've done generally in the past.

And in real estate, the third change, operating fundamentals are strong. Capital markets are back, or coming back. Interest rates are going to start declining, or have declined around the world. Deal activity is coming back significantly.

Where others pulled back, maybe this is most important, we remained active. It's allowed us to continue to grow the business over the last five years into many other sectors, and many other places. Simply put, our real estate franchise is more dominant now than it's ever been. There are very few survivors like us in the business. Our franchise in real estate is stronger than ever.

The next phase of our evolution is also here. Thinking back, our history has been about understanding change, and positioning ourselves to respond to that change. We're building our insurance unit to be a fully integrated investment-led insurance organization. Our corporation of wealth solutions, and our asset management business, and they're all working together.

We've been asked by many, "What does investment-led insurance organization mean?" And I'll touch on what we mean when we say that, because I think this is extremely important for you to understand.

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Traditional insurance underwrites insurance, and tries to make money by underwriting insurance. It takes the float it gets, and it gives it to managers, and tries to not lose money. Make profit out of insurance, don't lose money on float, equals profitability of your insurance company. Most insurance companies operate that way.

Investment-led insurance turns that upside down. We have extremely strong risk management. We try to achieve returns out of investments. We try not to lose money on insurance. We seek float. We don't seek scale.

And it's really saying the opposite of what most insurance companies do. Insurance companies are good at what they do. They underwrite insurance. They're trying to make profits. Investment-led insurance is the exact opposite of that, and that's what we're trying to do with the business.

For us, we're led by investment opportunities, not inflows. Our capital gives us a competitive advantage. Our core competencies suit insurance liabilities. Many of the things we do are long-tailed assets, which match long-term liabilities. Our long duration investing matches that float. And our risk mitigation and management skills will enhance every insurance company that we participate in.

Our model is designed to maximize capital efficiency, and enhance returns without taking any more risk on the asset management side. In fact, probably we will take less risk.

Bringing it together, investing in operating capabilities with wealth flows are a significant portion of the next future of Brookfield Corporation. What we're trying to do, and Sachin will explain this later, is mix liquid assets, and be very liquid within our insurance businesses, crossed with heavy allocations to real asset investing in both debt and equity.

The combination of those two are very attractive on a regulation and regulator basis, and on a return basis, and to earn 15% plus on the equity that we have in the business.

When we spun out BAM, we told you we would find a business that was synergistic, that could work with all of the other things we had, that we would build within Brookfield Corporation, that would deliver high quality earnings, that would enhance the efficiency of the balance sheet, and that would support our other businesses we have in the company.

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Our Wealth Solutions business we think is that. It has \$26 billion of capital today. It has \$135 billion of insurance assets. It's gone from zero to \$1.7 billion of distributable earnings, and Sachin will take you through where we're going in the future. With further integration of our capital into the insurance business, we expect to use that capital to grow the business to possibly \$600 billion, and maybe more. It will be done prudently. It will be done to ensure we earn attractive returns on the capital, but it will also drive the returns of Brookfield Asset Management as we allocate capital to them as a manager of our asset base.

We will build this business with the same discipline that we've always built our businesses, and think that we can be successful at doing this. As always, and this is paramount, we remain focused on delivering 15%+ returns for shareholders. I think it's easier today than it was 25 years ago, because of the scale and the business that we have within Brookfield Corporation.

So, welcome to the next chapter of Brookfield, and I'll turn you over to Nick Goodman, who will take you through our financial results.

THE NUMBERS ARE STRONG

Nick Goodman, President

Thank you. Thanks, Bruce, and good afternoon. I'm going to provide an update on our business, and I'm really going to distill everything down that you've heard today, and will hear in the balance of the presentations into the numbers, take a look back at our achievements, financial performance over the last 12 months, and then go back and look at our performance over the last five years, and show you how we've tracked against the plans that we laid out for you at our investor day in 2020. And, yes, as you may recall, we did hold an in-person investor day in 2020. Some of you were here, one or two.

We will then look forward. I'll provide an update on our five year plan focusing in on our private holdings, and in the process of the presentation really showcasing to you the resilience, stability, and predictability of our earnings with the punchline really being that the growth profile of the outlook, and the numbers that we will present to you today is very strong.

Over the last five years, we have delivered earnings growth of 22% on an annualized basis over the last five years. That's 22% growth in earnings on an annualized basis over the last five years, and we've

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grown our plan value ahead of our long-term targets of 15%+ delivering planned value growth of 16% on an annualized basis.

Importantly, as Bruce has just touched on, the foundations are in place to continue that trajectory of growth as we move forward. And we're really well-positioned to continue to scale our earnings at 20%+ throughout the plan period. Now we did it for the last five years, and we're positioned to deliver it again over the next five years.

And that growth comes from two key areas, the first is us participating in the growth that is delivered by our core businesses. That's the growth coming from asset management, wealth solutions, and our operating businesses.

The second area is capital allocation. We take the excess cashflow that we generate in the business, and we reinvest it, planting the seeds for future earnings growth, but over the plan period, that adds another 5% to our growth. In total, that's 25% compound annual growth in earnings over the next five years.

And this continues to be underpinned by a conservative balance sheet, that's conservative in terms of our capitalization, and maintaining high levels of liquidity, providing a platform for the franchise to deliver its evolution, and its growth.

And with our business philosophy firmly in place, the earnings growth that we're projecting, we expect to deliver a plan value per share growth on an annualized basis over the next five years, again, ahead of our plans of 15%, delivering 16% growth, ending up at \$210 a share in five years time.

So, let's start with a review of the past. Last year when we were at Investor Day, global interest rates were peaking, or had peaked, and were starting to come down. And we identified tailwinds that had come about from that that would impact our business.

And the real punchline was investors around the world on the back of that change have started to change their investment posture. Investors were going from risk off to risk on. And that played out in three key ways, or we expected it to play out in three key ways. First, rates coming down combined with increased liquidity coming back to the capital markets we expected would drive spreads down, and lead to lower bottling costs globally.

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Secondly, as investors look to move from the sidelines and put their capital to work, we expected an increase in transaction activity, and with increased liquidity, and increased desire to invest, we expected higher valuations, higher multiples, and lower cap rates.

And we saw that play out in our earnings. We raised over \$95 billion of capital in the business. We deployed \$135 billion into new investments. We executed \$155 billion of financings. And importantly, and a real step change to the last few years, we monetized over \$75 billion of assets.

And you can see that in the earnings performance over different businesses. Again, we delivered 21% growth in DE before realizations in the last 12 months, and that played through the different parts of our core businesses. Our asset management business increased its fee-related earnings by 18%. I touched on the last page that we raised over \$95 billion of capital, but, importantly, 75% of that came from complimentary strategies underlying the diversification that we've built in our asset management franchise.

Our wealth solutions business delivered distributable earnings of \$1.7 billion, but, importantly, as we've scaled that business we have maintained and sustained the return on equity in line with our long-term targets of 15%+.

And our operating businesses continue to benefit from strong operating fundamentals with our renewable power and transition, and infrastructure businesses growing their FFO by 13%.

In our real estate business, we delivered \$5 billion of monetizations from the balance sheet, and in our private equity essential service and cash flowing businesses, we grew EBITDA by 15%. In addition to that, we returned over \$1.5 billion of capital to our shareholders. That was \$500 million in regular dividends, but as we saw the disconnect between our view of plan value and where the shares were trading in the market, we opportunistically repurchased over \$1 billion of shares, adding value to each remaining share.

Our valuation methodology for the business remains unchanged. We apply the relevant valuation technique or approach to each of our businesses based on their sector cashflow, their outlook, their growth profile, and the value of the sum of the parts, the total was \$161 billion to date, net of debt, with \$102 per share.

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And here you can see how that's broken out across our asset management, wealth solutions, and our operating businesses. That planned value has increased by 22% in just the last 12 months. That's \$28 billion of value added in just 12 months.

The contribution comes from across the business. We've had strong performance within asset management participating in the growth of Brookfield Asset Management, and its capitalization, but growth has also come from other parts of asset management, our wealth solutions, and our operating businesses.

That plan value today, and the multiple applied against our last 12 months earnings is 27x. But if we project out our plan, if we project out the earnings growth that we have for the business over the next five years, and apply the valuation to an average of those next five years earnings, the multiple drops to 16x underlying the growth profile that we have in the business.

Now five years ago at investor day, which many of you were probably watching on a screen, we set our targets to grow our DE before realizations to \$4.8 billion. We targeted 19% growth. And we planned to grow our plan value to \$100 a share. And we exceed that. We didn't grow by 19%. We grew by 22%, taking DE before realizations to \$5.3 billion. And we increased our plan value to \$102 per share.

This is very important as we look back five years ago, and look at the plans we set out. We surpassed them. And it's really important to keep in note, as we think about the plan that we've set ourselves for the next five years.

But better yet, as we've grown the business, we've also diversified our earnings streams. Within each of our businesses, within asset management, within our operating businesses, they've diversified, but as you can see from 2023 onwards, the contribution of our wealth solutions business, that's us taking our excess capital, seeding it into the business to build new earnings drivers for the franchise. And you can start to see that come through our earnings, which provides a great platform as we look forward. And we achieved a total return target ahead of our 15%, that we target the growth and plan value of 16%, the average dividend yield of one, taking a total compound annual return based on plan value to 17% over the last five years.

And as Bruce touched on, we've also delivered a really strong return to shareholders, 19% over the past 30 plus years, far in excess of comparable indices.

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But we still believe despite the strong performance of our share price over the last 12 months, we still believe that the share price today offers a very attractive entry point to investors. If you think about the share price today against the last 12 month earnings, that's an 18x DE multiple.

But, again, if we do the same analysis of projecting that out against our projected earnings for the next five years, on an average basis, that multiple drops to just 10x. So, to say it again, we still believe today's share price offers a very, very attractive entry point for investors.

So looking forward at the plan. Our value proposition, as I touched on at the beginning, it really is centered around two core themes. The first is our participation in the growth of our core businesses. The second is the value that we add by effectively allocating our excess cashflow and capital.

And there are some key themes that we think are fueling the growth of the business. We've touched on some of them already, but just as a reminder, the increasing institutional and individual allocation to alternatives is driving growth across the franchise.

The scaling of BWS as a core part of Brookfield and an increased integration into the business is going to allow us to sustain our growth for the long term. The generational investment opportunities for AI will be a foundational component of many of our products that we offer to clients and where we look to deploy capital. And then more specifically, we expect declining interest rates, strong capital markets, the real estate recovery and increased transaction activity to directly benefit our earnings over the plan period.

And this translates into a diversified earnings growth profile over the next five years with many different parts of the business all contributing to that growth. I would just point out on this slide that the growth in the operating businesses looks lower, but the earnings of those operating businesses are growing. We touched on renewable power infrastructure grew at 13% in just the last year. They continue to grow, but that is offset in this plan by the fact we'll be monetizing real estate, which is in this bucket along the way. So let's dig into our core businesses.

Our \$180 billion of perpetual capital is spread across our three businesses, asset management, wealth solutions and operating businesses. We can slice this a different way by looking at how that's broken out between our public and our private holdings. Our public holdings of \$82 billion, they're covered

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extensively, quarterly earnings materials, analyst coverage, they have their own investor days, so we're going to focus today on the private holdings, which total \$98 billion in total.

And we can break those down, they're \$98 billion in total into four areas.

The first of those would be our direct investments. This is the capital that we have invested into funds managed by BAM totaling \$12 billion today. The second is our carried interest. This is our right to earn a share of the profits generated for clients within the funds managed by BAM. We have our wealth solutions business, and then we have our on-balance sheet real estate.

So if I take each of those in turn and I start with our direct investments, the direct investments today total \$12 billion. They're invested across a series of funds, but if you look at the target returns of these funds on an average basis, those returns are in line with the long-term targets that we set for our capital, the 15% long-term target. And the funds are all performing in line with their target. What this means is our capital is compounding away at 15% plus, highly attractive investments for our balance sheet. If we project out our plan over the next five years, we expect to surface \$5 billion of capital net of new investment from these investments over the next five years.

And there's two combinations there. Obviously it's from monetizations of assets and return of capital. And the second is as we move through the plan period, we expect our share of the investments into these funds to actually reduce over time as Sachin scales BWS and it increases its allocation to equity investments, we expect to share more of these fund investments with BWS moving forward. So again, \$12 billion invested today and we expect to surface \$5 billion of capital on a net basis over the next five years.

Now turning to carried interest, and Hadley touched on this earlier, but I'm going to dig into a bit more detail and do a bit of a refresher, but really carry continues to be a material component of our value proposition and we believe it is still underestimated. We earn our carry from two sources. The first of these we call are legacy funds. These are the funds that were raised before the separate listing of Brookfield Asset Management, i.e., funds that were raised before the end of 2022. For those funds, we earn 100% of the carried interest, 100%, but we also incur 100% of the costs. So this is a legacy, this is a cash flow stream from funds raised before 2023 that will run off to zero over time, and in that time we will earn a combined margin of 65%.

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The second stream is what we call the royalty. This is against funds raised from the start of 2023 onwards where we have a perpetual right to earn 33% of the carry and we incur zero costs. This is effectively a perpetual royalty at a 100% margin. Now, how that carry makes its way into income is also worth refreshing. We follow a European model for the waterfall as how it comes into income. That means we realize carry on a fund by fund basis, which is different to an American waterfall, which realizes carry on an investment by investment basis. We follow the lifecycle set out on the page.

First, we invest the capital of a fund, we then sell assets and return all of that capital to our clients. We work our way through the preferred return across the entire fund. And once that preferred return has been delivered, we start to realize carry on every incremental dollar. Now over the life of a fund, the carry you realize under a European and American waterfall is exactly the same, but under our approach, that recognition is deferred to later in the life of the fund. This approach ensures strong alignment of interest with our clients. We do not realize any carry until the risk of clawback is very remote.

It derisks future carry recognition, and if you think about how you work through that waterfall, it also dramatically increases your line of sight to carry as you work through the process. And we believe that our carried interest is now very much at an inflection point. The scale, diversification and number of the funds that we have right now is increasing dramatically the carry potential to Brookfield Corporation.

Second, transaction activity, as you've seen in our results and recent achievements, has dramatically increased. That means we're returning more capital to our clients, which is going to result in larger, more stable and consistent stream of carried interest coming into cash and into income for the corporation. To put that into numbers, over the next 10 years, we expect the net realized carried interest to Brookfield Corporation to be \$25 billion. It was just \$4 billion for the last 10 years. We expect to be \$25 billion in the next 10 years. If we narrow that timeframe down even more to just the next three years, it's \$6 billion of net realized carried interest than we expect to realize in cash and into income over that period.

But to think about the line of sight we have to that \$6 billion, two-thirds of the carry, two-thirds of the \$6 billion will come from seven funds, just seven funds that have a proven track record and on aggregate have already returned 90% of their capital. So it's that increased line of sight, that's giving us the confidence in our ability to recognize this carry into income over the plan period.

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And as I mentioned, the carry potential of the organization is increasing significantly. If you think about the plans that were laid out by Connor and Hadley in their presentation, carry eligible capital is scaling to \$575 billion over the next five years.

As we execute our plans, buy for value and create value in our investments, annual generated carried interest scaling to \$7 billion five years from now, and realized carried interest is increasing up to \$6 billion on a gross basis. Now if you look at the plan five years from now, you can see the gap between the gross and the net is widening out. What that is in practice is those legacy funds running off and the royalty funds starting to be the more meaningful contributor to carried interest for the corporation in the future, but still generating meaningful amounts of cash to the corporation as we move forward.

Now, we value this carried interest today at \$34 billion. The valuation approach we have here is consistent with how we've shown it in the past. It's taking the target carried interest net, which is the carry compounding for us every day the returns that we have against the carry eligible capital of \$2.7 billion of annual net target carry today at a 10x multiple has a planned value of \$27 billion. If we add on the accumulated unrealized carry, that is the amount that if we sold everything today at the current marks is what we would realized into income, add that to the \$27 billion and we have a value of \$34 billion.

Now, we've tried to come at this a slightly different way to validate the \$34 billion. We've also run a DCF and we've broken the DCF into three lines. We've done an NPV of the legacy funds, running out the cash flow that we expect to receive from those funds that are running off and discounted it back to today. We've done an NPV of the royalty cash flow stream, running out the royalty over the next 10 years and discounting it back. And lastly, we've applied a franchise value to the royalty stream at the end of the 10-year period and discounted it back today to prove out that the \$34 billion at an 8.5% discount rate and we run a small sensitivity. The punch line that would really have on carry is it's very meaningful to our value proposition.

It will generate significant cash and income for the business for the next five years and as we move forward and it's very valuable to the Corporation. If I pull all of that together and look at the overall growth profile that we have from the asset management business, distributable earnings from BAM, that is just our share of the growth of Brookfield Asset Management, 18% CAGR. Distributable earnings from our direct investments, they are growing, but our capital at risk is coming down as we reduce our

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investment. And then the benefit and the realization of carried interest into income culminates in a 20% compound annual growth rate from our asset management business over the next five years.

Now, I'm going to touch quickly on real estate and wealth solutions just to tie it into the plan, but Kevin and Sachin will be coming up to provide much more detail on those businesses. Bruce touched on it. Within real estate, we are well positioned right now to capitalize on the global real estate recovery and that recovery is very much underway, benefiting from declining interest rates, stronger capital markets, and increased transaction activity. Fundamentally and importantly, the operating metrics of real estate are also improving significantly. We see this around the globe. Supply-demand fundamentals are firmly in favor of existing assets and with the quality of the portfolio that we have, the deep operating capabilities that we have, we feel we're really well positioned to deliver meaningful growth from our real estate business.

So what do we have to do over the next five years? We just have to execute, right? We've laid all the foundations and as the markets improve, as the liquidity gets there, we need to refinance, and as transaction activity picks up, if we have assets that we want to monetize, we have to monetize and we have to execute.

Now, these tailwinds are going to play out in two key ways for the business, stating the obvious, they're going to drive NOI and FFO growth and they're going to facilitate the sale of assets. And if we are successful in executing these plans, we have the ability and the potential to generate up to \$24 billion of cash on a gross basis as we execute the plan. In our real estate presentation with Kevin, you'll see the breakdown of the allocation of that cash.

In all likelihood, with that cash that comes in, some of that will be reinvested back into the business to pay off debt, but only to pay off debt in line with the reduction of the asset base if we're selling. And if we execute that and play it through, the plan value five years from now will be \$15 billion generating \$640 million of earnings. Again, the real estate recovery is underway and it's poised to deliver significant cash flow to our business.

The wealth solutions business is scaling significantly and it's scaling as a sustainable investment-led business. We've been focused since its inception on executing our growth plans. We've built leading origination platforms in the U.S., in Canada, in the UK now, and focused on expanding further into Asia. As we've done this, we have maintained our discipline. This is a business whose growth has been led

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by the investment opportunity set that we see, not by inflows. And in doing that, we've been able to sustain our 15% plus target returns on equity and importantly, we've been scaling without sacrificing the risk profile of overall Brookfield. If we can execute our plan for the business, we will scale insurance assets to \$350 billion at the end of the plan period, more than doubling our earnings.

And we believe that building the business in the way that we're doing it, building an investment-led insurance company will strengthen the overall growth profile of Brookfield for the long-term. It drives long-term alignment and it will drive long-term value creation. How that will play out in practice is we expect to see deeper integration and utilization of the Brookfield balance sheet to help scale the wealth solutions business. We expect that growth to have significant benefits for the Brookfield ecosystem. As BWS grows, it's going to offer more and more attractive opportunities for the corporation to invest capital at attractive returns. It's going to provide growth for Brookfield Asset Management.

And at the same time, the wealth solutions business benefits from the deep investing and operating capabilities that BAM has to offer, and it benefits from the capital that the corporation can provide to achieve that growth. And importantly, with a business that's funded by our own balance sheet with our own capital where we're focused on downside protection and where we have proven track record of returns, we create a very strong alignment of interest with the policyholders. And as I said, we believe all of this can be achieved without changing the risk profile of our business.

As I said, we believe we can more than double the earnings of the business over the next five years, taking earnings to \$5.5 billion. We provided a range of valuation multiple five years from now. We used 15x today given the growth profile that we have. We used 12x last year, but we actually believe now that we can sustain this growth for the long term. So we're showing 12x to 15x in our plans we're being more conservative in just adopting the 12x. But importantly, again, you can see that there's tremendous growth ahead of this business.

The second key component of our value proposition is our capital allocation, and we have followed a disciplined centralized framework to capital allocation. And this is an approach that has been methodically developed and built and followed over many years. Our businesses every day are executing their plans. We own highly cash generative businesses. They're generating cash every day. They're focused on their singular sector, singular industry. Our approach in Brookfield has always been to take that cash flow and move it up the chain to places where we have a broader perspective and

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capital allocation, where we can move the capital to where we see the best opportunity for deployment and the best returns at any point in time.

And it's that centralized approach to capital allocation and it's that flexibility that we believe is one of our greatest strengths.

The focus areas, once we have moved the cash up to the corporation and where we have that broader lens, we're focused on four key areas for capital allocation. The first of those is support the growth and to invest alongside our core businesses. The second is to invest in strategic transactions. If you think back to last five years, the acquisition or the investment in Oaktree and the scaling of BWS would be transformative investments that we've done.

But we also make smaller investments, investing into smaller businesses where we think having risk or exposure will give us learnings that will be for the betterment of the overall franchise, and we continue to allocate small amounts of capital to these areas. We retain ample liquidity to defend against downside risk. If you think about just the last five years and the cycles that we've been through in the capital markets, retaining ample levels of liquidity ensures that at no point in a cycle are we ever forced to do anything that is value destructive at the worst point in time. After we've covered off those bases, we are left with capital to return to shareholders. And as you know, we look to do that opportunistically predominantly through buybacks.

Over the past five years, we have reinvested \$31 billion of capital across our businesses. And I want to double click on a couple of areas just to showcase the value that's added to the franchise. We've invested \$12 billion of our capital to scale BWS, investing \$12 billion to acquire companies at discounts to big value where we've realized expense synergies, we've grown the annuity base, we've invested the float at much higher returns, and in doing so, we've turned that \$12 billion into a business that we believe should be valued at \$26 billion today. But importantly, against that \$12 billion of capital, we're now generating \$300 million today of fees to BAM, which will scale significantly over the next five years.

And net of those fees we're generating \$1.7 billion of annual cash flow for the business, which again is going to scale over the next five years. So again, retaining that capital and reinvesting it back into the business has added significant cash flow and value to shareholders. Secondly, over just the past two years, we have repurchased \$2 billion of our own shares in the open market. As we've seen the

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disconnect between value and price, we've repurchased shares at an average price of \$44 a share, adding \$2 a share of value to each remaining share.

Now looking forward over the plan period, we expect to generate \$53 billion of free cash flow over the next five years. We've shown an illustrative allocation of that cash here today. We are paying the dividends. We have assumed the retention of earnings within wealth solutions to support their growth. That is assumed, but it's not committed, and it'll only be committed if the business can sustain its returns on equity. And even doing that, we would still have \$25 billion of free cash flow available to either be reinvested or returned to shareholders.

So bringing it all together and providing the update to the five-year plan, we are set up to deliver a 17% growth in our annualized DE before carried interest and before the impact of reinvestment over the next five years. That grows to 25% when you factor in the impact of realized carried interest and capital allocation. And you can see that that growth comes from a diversified earning stream across the franchise. In graphs that takes our DE before realizations and capital allocation to \$6.90 five years from now, and total DE to \$10.40 at the end of the plan period. And the plan value is actually growing in line with what we've delivered in the last five years, a 16% compound annual growth rate to \$210 a share.

And we believe with the foundations that we have in place with the business today, we are really only just getting started. So the key takeaways I want you to have today from the presentation and everything you're going to hear from us today is that we are really well set up today to continue the trajectory of our earnings. Again, we grew at 20% plus over the last five years, and we expect to repeat that in the next five years. This continues to be underpinned by our conservative capitalization and high levels of liquidity. Carried interest is at an inflection point, and we expect it to be a meaningful contributor in the next five years.

BWS as an investment-led insurance company is positioned to enhance our capital efficiency and ensure that we can sustain the long-term growth trajectory of the business. And in conclusion, we're better positioned today than we've ever been to deliver 15% plus returns to our shareholders.

So I would ask that you stay tuned as we move forward, and I'll now hand over to Kevin to walk you through the real estate business.

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REAL ESTATE IN RECOVERY

Kevin McCrain, Managing Partner, Real Estate

Thank you, Nick. My name is Kevin McCrain and I'm a managing partner in Brookfield's Real Estate Group. Today I'm going to focus on and talk to you about why Brookfield's real estate business is poised to take advantage of the clear real estate recovery that is underway. So first, the capital markets have returned, beginning to fuel buyers who have been relatively inactive as compared to past cycles. And second, the operating fundamentals are strong across the industry, including the office and retail sectors, which will be a focus of today's discussion. This is the foundation on why our portfolio of premier real estate assets is well positioned to deliver strong earnings growth during the plan period. We anticipate generating \$24 billion of capital through transactions during the plan period. But taking a step back and looking at our broader real estate business, our broader real estate business is comprised of two capital pools, our private fund investments and our balance sheet investments. Today I'll focus on and take a deeper dive into our balance sheet assets. So over the past year, our balance sheet assets have performed extremely well. We've signed 15 million square feet in leases across our office and retail businesses at rents 11% higher than expiring rents. We grew our NOI and monetized \$5 billion of our balance sheet assets.

The leasing that we've done over the last 12 to 24 months will begin to show up in our NOI growth over the next 12 to 24 months as those tenants begin to take over space and begin to pay rents. We've also completed \$16 billion in financings across both our office and retail businesses, \$8 billion from retail and \$5 billion from office. So we've historically segmented our balance sheet assets into two groups, our core assets and our transitional and development assets. Last year we put a spotlight on our core portfolio. We did this because these are our highest value assets with the highest growth. These are the assets that we believe we can continue to invest in over time and over the long term.

But our operating teams have continued to work on our transitional and development assets to grow our NOIs and our value. We believe we should now segment this, our transitional and development portfolio in order to give you a more granular understanding on the balance of our assets. So this is what you've seen before, our core business, which is 35 irreplaceable assets that are located in key global markets, and our transitional and development assets, which are 151 assets that have value-added strategies tied to leasing and development that we plan to monetize over a defined period of time.

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Going forward, our portfolio is going to be segmented into three groups. Our super core assets, which will comprise 34 of our most irreplaceable assets or premier properties located in key global markets. These assets are multifaceted, our most complex assets that we anticipate holding forever and continuing to invest in over time to create value. Our transitional and development assets will become our core plus and value-add portfolios. Core plus will be a collection of 57 assets, largely office and retail assets with growing NOIs that we intend to monetize over time. The key differentiating factor between core plus and super core is not quality of our assets. The key differentiating factor is our core plus assets have defined hold periods and either business plans that we intend to complete or have been completed.

Our value-add assets will comprise a portfolio of 95 assets, primarily located in secondary markets that we intend to reposition to enhance our NOIs and ultimately monetize over time. As you can see, the overwhelming majority of our invested equity sits in our super core and core plus portfolios, our super core accounting for 60% of our invested capital and our core plus portfolio accounting for 25%. Now, while we spent last year highlighting our super core portfolio, it's worth recapping here. This portfolio of 34 properties, 90% of the value sits in our U.S. and international office assets and our retail portfolio.

They have an asset level LTV of 47%, 95% occupancy and account for \$19 billion of our invested equity. 10 of these assets are trophy office assets located in key gateway cities, New York, London, Toronto and Dubai. In New York, it includes Brookfield Place and Manhattan West, flagship office campuses that have 93% and 94% occupancy respectively. In London, it includes 100 Bishopsgate, 1 million square foot office tower, that's 100% leased and has 14 years of WALT. It also includes the Canary Wharf Estate and Brookfield Place Toronto. These assets have 94% occupancy, a 10-year WALT and account for over \$8 billion of invested capital.

Our super core portfolio also includes 18 of the best shopping centers around the world. It includes 730 Fifth Avenue, also known as The Crown Building, which is located at 57 Street and Fifth Avenue, probably the best retail corner in the world. It also includes Tysons Galleria, a pure luxury shopping destination outside Washington, D.C. Shops at Merrick Park in Coral Gables, Miami, Fashion Show on the Las Vegas Strip and the Shops at La Cantera, a luxury shopping destination in San Antonio. Together these assets generate almost \$1,200 per square foot in sales and account for almost \$9 billion of equity value. And finally, our Super Core portfolio includes six residential and mixed-use

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assets. It includes The Eugene apartment building located in New York City and the Pendry Manhattan West. These assets together have almost \$2 billion of equity value and an occupancy of 94% to 96%.

But today we want to focus on our Core Plus portfolio. This portfolio in almost any other business would be considered Super Core. So our Core Plus portfolio is 57 assets account for 99% of our \$8 billion of equity value. Our office equity value is almost equally split between our North American office properties in New York, Toronto and Calgary, and our international portfolio in London, Tokyo, and Perth. These assets maintain a 44% loan to value and have 94% occupancy.

But when put side by side with our Super Core portfolio, the performance metrics are almost identical. As I mentioned, the key differentiating factor between these two portfolios is not quality. Our Super Core portfolio are just more complicated assets that we intend to hold forever and continue to invest in overtime to continue to create value. And our Core Plus portfolio are a collection of fantastic assets that we intend to hold for defined periods before monetizing and realizing on our business plans.

So looking at our Core Plus portfolio, which is a portfolio of 26 office buildings located in key global markets such as New York, London, Tokyo, Calgary, and Perth. These assets together have a 91% occupancy and are some of the best located assets in their markets. You're going to hear from some of our office regional leaders in a little bit, and what they'll describe is significant upside in these assets given the growing demand for office space in their markets, as well as the rising rental rates. These assets have eight years of WALT, an account for almost \$3 billion of our equity.

Our Core Plus portfolio also includes 27 retail centers that generate a tremendous amount of sales and are located in growing markets such as Durham, North Carolina, Atlanta, Georgia, Houston, Texas, Seattle, and Salt Lake City. These assets generate \$800 per square foot in sales, but the growing demographic profile of these markets will allow us to leverage our best-in-class operating team to continue to curate these assets, to bring in new tenants that will increase our sales and our NOIs. Together, these assets have over \$5 billion of equity.

We're going to spotlight some of our Core Plus office and retail assets when we get to our case studies. But for now, we'll turn to the office market. So you've been hearing from us over the last number of years about return to office trends. You've undoubtedly read the numerous news articles on the topic, and I assume all of you are back in the office yourselves, but this slide really tells a story of what's happened over the last two years. So two years ago, only 5% of companies had a fully in-office work

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requirement, and the average work requirement amongst all companies was just over two and a half days per week. Today, over half the companies have a fully in-office work requirement and all company average work requirement is almost four days per week. So what happens when everybody goes back to work?

The demand for office space is soaring because companies vastly underestimated the amount of space they were going to need coming out of the pandemic.

So everybody's back at work and demand is soaring, but there is virtually no new office supply. As office development was essentially paused coming out of the pandemic, and existing supply is being converted to other uses. So what happens when everybody goes back to work? Demand is soaring for space and there is no new supply coming online. There becomes a significant premium for new office space. The premium for new office space is averaging 60% globally. In markets like New York and London, it's over 100% and almost 80% respectively. We are signing leases at our assets in these markets and over \$250 a foot and over £150 per foot. This increase in rental rate is going to drive the entire market in the near term. As tenants can't find new space, we'll ultimately be looking to other class A product to lease. This is why our portfolio, our global office portfolio is well positioned to take advantage of the strengthening fundamentals across the sector.

So now we want you to hear from a few of our regional leaders about what they're seeing in their markets and spotlighting a few of the assets in their regions.

VIDEO: CORE PLUS ASSETS AROUND THE WORLD

Dan Scanlon

It is important to recognize that the office is still a hugely important part of business' approach.

Danny Poljak

When I think about the office market in Perth, I would describe it as resilient. Demand remains the strongest for buildings and workplaces that offer a premium office environment. Brookfield Place Perth is one of the most significant commercial precincts in Australia. There are a few that can match for its location, its proximity to the public transport, its connection to community, its operational

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performance and overall tenant satisfaction. We can see the development in late-2000, transforming two vacant blocks of land and several heritage buildings into a world-class business hub. The office tower was 100% pre-leased at practical completion. In the past 12 months, we've renewed a number of major tenants, with occupancy today sitting at around 94% with a weighted average lease expiry of eight years.

Matt Whitty

Demand in the office market in Toronto is extremely strong in approaching pre-COVID occupancy. Brookfield's AAA product is currently 98% leased. Tenants today are looking to expand the footprint as they bring more and more people back to the office. Over the past four quarters, our busiest building has been First Canadian Place. This is the tallest commercial building in the country with powerful street presence at the Centre of the Financial Core. The location of this asset has driven 400,000 square feet of leasing over the last four quarters. Occupancy has increased from 90 to 95% with 3% of that gain done in Q2 2025.

Dan Scanlon

London is a great city. People want to live and work here, and global businesses are attracted by its stability, access to talent, excellent infrastructure and connectivity. Our London portfolio is performing incredibly well, where 98% let. Last year we saw 75% of our transactions were for more space. With strong demand and limited supply dynamic, we witnessed 10% year-on-year rental growth for the best office properties. One Leadenhall sits at the center of the City of London. It's a 35-storey tower, striking architecture with panoramic views. We acquired the existing building in 2013 with a vision to replace the existing seven-storey building with a tower that would sit comfortably amongst the best towers in the city cluster. Latham & Watkins were a long-standing tenant of ours. They were experiencing rapid expansion and looking for a new best-in-class office. Latham & Watkins have now committed to 290,000 square feet across 21 floors. Occupiers are still preferring new high-quality sustainable workspace in amenity-rich locations. Our portfolio in London is positioned well for that demand.

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REAL ESTATE IN RECOVERY (CONTINUED)

Kevin McCrain, Managing Partner, Real Estate

So this is why our office business is poised to deliver strong earnings growth during the plan period.

So turning to retail. All retail estate is driven by the consumer. Consumer spending drive sales, sales in turn drive rents. Consistent and sustained sales growth will provide for consistent and sustained NOI growth. As you can see, since 2019, there has been consistent and sustained retail sales growth in the United States. And as of July, retail sales are over 140% of 2019 levels. But this tracks what has happened in the U.S. Historically, retail sales in the U.S. grow by 3% to 4% annually. People like to go out, people like to shop, people like to eat, and people like to be entertained. We do not anticipate this changing. We anticipate consumer spending to be consistent and sustained go forward, which will lead to consistent and sustained sales growth and consistent and sustained NOI growth throughout our portfolio.

There is virtually no retail construction happening in the United States right now. Since 2015. Retail construction has virtually ground to a halt with all new construction, really focused on convenience type retail and not shopping destinations. This directly impacts retailers who are starved for more space. Retailers make more money specifically through their gross margins selling through stores than through any other distribution channel, including digitally. Store growth is a retailer's single best avenue to grow their revenue and their EBITDAs. This is why our portfolio is well positioned. We own and operate some of the most productive and iconic properties around the world.

Now, taking a look at our Super Core and Core Plus retail centers side by side, and you'll see they both maintain high nineties occupancy and both have significant sales per foot. But the true uniqueness of our business is our best in class operating team that is capable of curating assets at the local market. We have one of the only operating teams capable of curating assets to meet local market needs on a national scale. Not every tenant belongs in every asset in every market we're in. The diverse demographics of the United States require a team capable of determining which tenant belongs in which space, in which asset, in which market. This provides for repeat customers, driving sales, which will ultimately drive our rents and NOIs.

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So I'm going to turn to a couple of case studies on our Core Plus retail portfolio, and starting with Alderwood Mall located in Lynnwood, Washington. This is a suburb north of Seattle that's very affluent and has an average household income of over \$118,000 a year. This asset is 99% occupied and has seen its NOI growth grow by 50% since 2021. We just successfully refinanced our \$290 million mortgage loan on this asset at a 5.9% interest rate. To just double click on that for a second, 12 months ago, that interest rate would've probably been around 6.5%. So the capital markets are seeing that quality retail assets like this have much lower risk and are allowing for tighter interest rates. So at Alderwood Mall, we've also recently completed a development of an old Sears box. We redeveloped it into 76,000 feet of retail and 328 market rate apartments. The apartments are 96% leased, the retail is 100% leased. The retail generates 4 million of additional NOI at the property, and we've recently agreed to sell the apartments at a 4.7% cap rate.

So turning to Fashion Place Mall located in the suburbs of Salt Lake City. This asset is primed for near and medium term growth alongside Salt Lake's 8.5% projected growth rate over the next five years. Fashion Place is 100% leased and generates almost a thousand dollars per square foot in sales. But this asset is a perfect example of how our operating team curates an asset alongside a growing and dynamic market. They undertook a strategy to replace underperforming brands with first to market brands looking to build market share. They brought in Zara, Aritzia and Travis Matthew, and we've seen our sales increase by over 20% since 2021. And we have more tenants that have just opened and are opening, including Viori, Coach, Tag and Seiko. We've also successfully just refinanced a \$290 million mortgage on Fashion Place at 5.4% interest rate.

The Shops At Bravern is a pure luxury shopping destination located in Bellevue, Washington. This asset has seen tremendous sales growth over the last number of years with sales per square foot growing by over 70% since 2019 to almost \$2,000 a foot. NOI has tracked this increase by growing at over 80% over that same period. We've signed or done renewal leases with tenants such as Hermes and Rolex, and we recently did an expansion with Montclair. We also just brought in a Michelin-recognized chef to open up a new restaurant to round out the customer offerings at the asset.

And finally, Streets at South Point located in Durham, North Carolina. This is a flagship Core Plus asset located in a 1.3 million person trade area that has an average household income of \$134,000 a year. This is an asset we've continued to invest in bringing in first to market brands such as Alo, Viori and Aritzia, and that has seen our sales increase by over \$70 million since 2021 and more concepts are on their way. DICK'S Sporting Goods is taking over an old Sears box and putting in their House of Sport

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concept, which is 150,000 feet and includes sports related experiences for their customers. We've also successfully entitled excess land at this asset for 1,300 market rate units, providing additional upside to our NOI. Streets is 96% leased and generates over \$350 million a year in sales. Given the growing demographic profile of Durham, alongside our curation and infill development strategy, we anticipate significant near and medium term growth to our NOI at this asset.

So bringing it all together, over the plan period, we intend to continue actively leasing our office assets at higher rents to grow our NOIs and continuing our curation and infill development strategies at our retail assets to drive sales. And ultimately our NOIs. We intend to monetize our Core Plus and value add assets and sell partial stakes in our Super Core assets. This should generate substantial cash over the plan period.

As you can see, the \$24 billion in dispositions was shown by Nick earlier today, ties right into here. And for purposes of this plan, we anticipated a \$10 billion reinvestment in the portfolio. So if we're successful, we should generate \$24 billion of capital from asset sales and provide \$3 billion in regular dividends, all while generating a 4% same store NOI growth throughout the portfolio.

Thank you. And I'll turn it over to Sachin to discuss Wealth Solutions.

WEALTH SOLUTIONS IS OUR FUTURE

Sachin Shah, Chief Executive Officer, Wealth Solutions

All right, last presentation of the day. Thank you for hanging in there. I'm going to spend a little bit of time talking about Brookfield Wealth Solutions and what we've been building. We set out five years ago to build at the time what we thought could be a scaled global wealth solutions provider. And I'd say where we are today, our conviction is only stronger. We think we can build a business that can compound capital for many decades to come, and in many ways is almost the perfect match to the things we do inside of Brookfield. Just to remind you, there's really two drivers in this business that give us a strong runway of growth going into the future. One is underpinned by what we've done for decades, investing into the global economy at Brookfield, where we invest in areas that just have tremendous scale potential. And two, it was touched on by Bruce, Nick and others, this aging population phenomenon that's happening in the western world and our ability to offer income-oriented products.

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Just as a reminder, we've spent the last 25 years building out an investment franchise at Brookfield, focused in areas that have a multi-decade opportunity ahead of them and require trillions of dollars. And where we have a level of expertise that is unparalleled real estate, infrastructure data, renewable power, nuclear energy. And you've heard people talk today about all the capabilities we have and often when we talk about those capabilities and the operational capabilities that underpin them, one of the great benefits of that is that it allows us to dial the risk down in those investments and risk mitigation, cash flow projections and duration are all things that are really important in an insurance balance sheet.

At the same time, we are in the midst and in the very early stages of what I just touched on, a demographic shift that will take hold in the western world where people will live longer than they ever have and there's a declining birth rate and therefore the age of the population base of the western world is getting older.

I'm going to just give you some stats here. If you go back 100 years, it's not on this page, but if you go back 100 years in the United States, 1 in 20 people were over the age of 65, very young population, industrious nation growth. Today it's 1 in 6, and by 2050 it's 1 in 4. So 1 in 4 people will be over the age of 65. And if you think about what that means for individuals needs for retirement income or income later in life, and what it means for social security and social welfare programs, it's going to put a tremendous strain on fiscal balance sheets. That phenomenon is not just a U.S. phenomenon, it's a western world phenomenon. Europe, Japan, the U.K., Canada, all western markets are facing the exact same dynamic as family sizes have come down, and if people start to live longer, and at the same time, if you go back the last 50 years when almost everyone had a defined benefit pension plan, if you were in the workforce today, it's almost no one. And so you have less protection, less guaranteed income, and you have a larger cohort of people who actually need the things that those plans were designed to provide.

And if you sum it up from a math perspective, it means that in today's dollars, you have a \$7 trillion retirement deficit. And with that backdrop and the combination of very low interest rates, we set out five years ago to build out a business that we thought could take the things we're really good at, long duration assets in industries that we're growing that generate cash flow—And if we do a good job, we could provide income streams to the exact demographic that's going to need it for many decades into the future.

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And when we started out, we thought, okay, we will do it as a reinsurer, we'll back reserves from or liabilities from other insurance companies. We very quickly pivoted and realized the great opportunity in this space was to be able to have your own distribution, to be able to write your own policies, to have networks of advisors and agents and partners that could distribute your product throughout the United States.

And it led us down a path of making a series of acquisitions. By 2022, we had what we thought was the beginnings of a nice little business, \$45 billion of assets, very diversified across annuities, life, reinsurance, P&C, and pensions. But we were also in the midst of a once-in-a-generation inflationary backdrop. And the headlines here demonstrate really since the early '80s, we had not seen that kind of inflation.

The reason this is relevant is we've talked a lot today about what does investment-led insurance really mean. It means that as an organization, we are not passengers or passive participants on the investment side, we're very active. And if you take the businesses that we acquired at that point in time, we took an investment mindset to them. We sold off virtually every long-duration asset inside the balance sheets of the companies we acquired. We shortened the asset book down to four years. We stayed very liquid. We kept our liabilities long because they were written at low rates that were very attractive.

We could not have predicted that rates would've gone up as fast as they did or even as high as they did. But odds were they were going to increase. And the government and the Fed in particular was telling us they were going to increase. They were saying we have to increase rates. They went up very quickly. We captured tremendous amount of value. That's an investment-led approach to running an insurance business. And capturing all that value allowed us to build a capital base, gave us the confidence that we could then continue to grow and look for acquisitions. And you can see it in the results. We'll deliver \$1.7 billion of earnings this year from zero five years ago, and a lot of that is the benefit that we picked up in those early periods.

Along the way, by the end of last year, we'd made three sizable acquisitions. We'd done a number of small reinsurance deals. And maybe the most important thing if you go through this is we acquired every business for value acquiring below book value in most cases. If you look at American National, which is our first business, we acquired highly diversified American equity, a monoline writer of insurance, annuities, and Argo a specialty writer. And Argo is an interesting one because most specialty

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writers when run properly in the United States trade at 2.5-3x book value. This was a business that had some challenges in particular on the investment side, and we were able to acquire it for 1x book value. And we've taken the last few years rebuilding it into a specialty writer in the U.S. with an investment-led approach.

And we created business plans for all of these businesses. If you look at what we've been able to execute in these businesses, we sold all non-core lines of business at 1.6x a book. And what those non-core lines of business were not businesses that were bad insurance businesses, they just didn't fit the profile of what we wanted. We wanted low risk liabilities that were highly predictable and that were stable. And there was many parts of the businesses we acquired, like healthcare, term life, universal whole life products that were very insurance driven or actuarially driven, that just didn't fit our profile. They were more volatile, even if they had embedded profits inside of them. They were unpredictable if you're an investment-led insurance company. So we sold off those businesses and we started to work very hard on creating distribution.

American National had never done more than \$1.5 billion of annuity production in its 100 years. And American Equity had never done more than \$4-6 billion per year ever in its history. So those two businesses combined would do \$5 billion a year. In the maximum amount of annuity production ever, we'll do \$25 billion this year out of those. And that takes a commitment to the operations where you're building up distribution, you're working with independent marketing organizations, RIAs, advisors, your own agent network, and selling your product through multiple channels throughout the United States. And more importantly, we're now working with large-scale banks in the United States to get onto their platforms and further scale our distribution capabilities.

We also immediately realized that we needed to plug into our real estate, infrastructure, power and other groups across the Brookfield Ecosystem. In the first year alone, we reviewed over \$50 billion of investment opportunities that were inside of Brookfield where we had an embedded information advantage, an operating advantage, and we started to put those investment opportunities into the balance sheet of our insurance businesses. That number this year will exceed \$100 billion. We will have reviewed over \$100 billion of investment opportunities that are suitable for the insurance business. We also maintain a significant amount of cash on hand. Again, high levels of liquidity, high levels of capital, Bruce touched on that sort of approach. In the insurance world, they call it a barbell approach, but really high levels of cash and liquidity combined with very suitable high-yielding private asset investments.

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And lastly, we invested \$30 billion out of our balance sheet into BAM Products and BAM funds, helping all of the products and funds we have scale, helping us design new fund products, helping us create products that were more relevant to other insurers. And all of this will help further the growth of the overall Brookfield franchise for a long time to come.

And what all of this led us down was a platform where we felt we had some foundational elements that were now built and could help us scale again in the future. Let's talk about that. So first, what does investment-led mean? But really it's focus on where we have an embedded expertise, and that's all the things we do inside of Brookfield, but what we've not touched on is it also has an implication to leverage. If you're focused on investing, where you have an information advantage and you have an advantage from an operating perspective and you can generate higher returns, you don't need to use leverage to generate your ROEs and therefore dial your leverage down. Most traditional insurance companies operate at mid-teens leverage. Some of them operate at 10 to 12x, some operate as high as 20x. We run our business at 6-8x, 7-8x leverage, and that number will decrease over time as we build up capital inside the business. So we don't need to use leverage to create returns. The returns come from the investment side.

It also informs how we think of new products on the insurance side. Really, we're focused on low-risk, predictable liabilities. It's why we sold off many of the non-core lines that were in the business in the first place. To put it in terms of just how we think about it from a returns perspective, you can see here what I was getting at in terms of the mix of privates versus liquids, the level of spread you can generate, and the leverage. All of that drives too maybe at certain times even a comparable return to other insurance companies. But with much less leverage, we view that as being a much higher quality of earnings stream coming out of our business because lower leverage, same returns, more durable cash flows, more predictable liabilities.

This has allowed us to actually deliver what we've said we would deliver five years ago. All of our insurance businesses operate with A ratings. Two of our businesses got ratings upgrades over the last three years as we've been operating them and building up capital. We will generate over \$2 billion of distributable earnings next year from zero five years ago. We have maintained a greater than 15% ROE since inception. This is an important point because what it means is every decision we make isn't just about growth, we're not just trying to grow AUM, we're making decisions to prioritize profitability over growth. When you do that, there's times where you will scale back, and there's times we have scaled

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back. We could have pushed the envelope and actually distributed more or written more annuities, but we are very careful when we see rate movement in the market.

We've been able to do this without taking any third party capital in. This is important because our capital at Brookfield is permanent, it's long-term in nature, obviously, and therefore it's fully aligned with policyholders who sometimes own products that will be with us for the next 20 years. If we buy a pension out of the pension markets today, we could be paying somebody for the next 25 years. Having permanent capital backing them ensures full alignment, ensures we make decisions with policyholders in mind, and that is a really important long-term reputational matter for us as the business grows and scales. Then lastly, we have been very focused on making sure that we move beyond the US and grow in markets where this phenomenon of aging populations will offer further scale opportunities.

Where do we go from here? The first five years have been very good, we have a great platform, but we now have the foundation in place to scale. Our in-house distribution, as I said, we now control the pen and the levers where this year we could do \$25 billion of distribution. That number will only grow as we continue to build out those distribution relationships. We will maintain excess capital and liquidity, and the business today has \$15 billion of cash and probably another \$35 billion of short-term liquid securities that we could turn into cash overnight and therefore allows us to weather any sort of macro movement or event and be really opportunistic to deploy capital.

We often get asked why did we both retain a P&C business and then grow a P&C business? Our answer is, A) it diversifies the risk profile, which is a good thing. You don't want to have a business with just one singular risk. B) It allows us to have a regulatory regime that is more favorable towards equity-oriented strategies such that we can diversify the investment side of the house. We can do equities, we can do credit. It's also a low-leverage business. In specialty, where we operate Argo, it's not regulated, so you can write policies at anything that you think is economic.

With the announcement of our transaction in the UK, we will now have a scaled platform in the UK in such that we can operate in Canada, the US, the UK, and we have the very early stages of a business in Japan that we're building out. Maybe most important is we have worked very hard with regulators to be transparent, to be leading, to make sure our disclosure is at the top end of their expectations, and to default to over-communication.

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This business is a regulated business and you can either view that from a perspective of fear or you can look at it as an amazing moat around your business. For us, it's an incredible moat. The more we work with regulators, the more that moat widens and gives us protection and creates scarcity value for our business, and that's the approach we've taken. So we are taking a very active approach, making sure that rules are strong, transparency is strong, and that our regulators are our partners in this business going forward. With all of this that we've built out, it now puts us in a perspective looking forward to be able to allocate capital to different jurisdictions and also to different lines of business.

As I talked earlier about the demographic shift of people aging, I just want to put it a little bit into the numbers around the US retirement system and assets sitting inside US retirement systems. So today, if you take in 2025, you have over \$40 trillion of assets sitting in US retirement accounts. That will grow to over \$100 trillion by 2040. If you look at 20 years ago, you had about 7% sitting in annuities. That's grown to about 10% today and should grow to 15%, maybe more. What's driving that? It's driven by, well, the retirement assets are growing because you have time value and you have more and more being contributed, but what's happening in particular with these changing rules in the US is the combination of private alternative assets and annuities is going to allow individuals to earn an excellent return on the way up and then have a decumulation product on the way down.

What we will be able to offer at Brookfield is that combination through Brookfield Asset Management of alternatives that give people higher returns over a long period of time, and through our annuity business, a decumulation product that gives them income for life. In effect, what we are building is almost a defined benefit type system inside of retirement accounts, i.e. we can give people highly compelling returns and we can give them through our annuity and insurance franchise a way to accumulate all of that for the totality of their lifetime. This should present a very, very compelling opportunity for us to scale the business in the long term. If you take the other parts of the world, this is more meant to show the scale of the retirement assets in those as well.

All of this to say, with our recently announced acquisition, we will now have a platform with \$180 billion of insurance float, including the amount that the UK business distributes per year or participates in annually. We'll start next year with \$30-35 billion of new gross inflows coming into the business. We have about \$10 billion of outflows, which means we should be \$20 to \$25 billion of net inflows year over year starting next year. So the numbers start to get staggering. All of this positions us for highly compelling returns, or highly compelling growth, but without compromising our returns.

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We're going to spend a little bit of time on value here because the other thing that we've seen over the last three years is that many of the platforms in the US that have traded, have traded at pretty healthy valuations. So if you look at, and we're not going to call anybody out here, but three large-scale transactions the US where you have life and annuity players that have sold to alternative asset managers or private equity sponsors have all traded in that 1.4x to 2.2x book. If you recall, we put up where we've been transacting. It implies the average book value multiple at about 1.8x. If you take that and you take our group capital, which is how these multiples have been ascribed to our what we call capital and surplus group capital of \$17 billion, and you deduct some holding company leverage we have, the business today, the capital in the business is worth \$26 billion. So when Nick talked earlier about the fact that we've invested \$12 billion, it's worth \$26 billion, all that accretion has come through the system really to reflect the business we've built out.

If you take it the other way where you say, okay, it's \$26 billion, what does that imply for a multiple? You back solve the multiple based on the current earnings profile, it's about a 15x multiple. So for all the people who are modeling out the business, this is meant to demonstrate this is where these platforms are trading today. This is not our view of value, this is where the market trades. It really just reflects that demographic shift and this enormous opportunity that's in front of us where everyone is looking at this saying there's a large cohort of Americans who will need retirement income and these platforms are designed to deliver into that.

If we take that and we look forward five more years and we say, well, where can this all go? Again, from a pure assets that we could manage perspective, and you start at that \$180 billion, as I said, we should net out to about \$20 to \$25 billion a year net flows, which over five years could add \$100 to \$125 billion. We've added some M&A here, highly likely we will do a little bit of M&A along the way, it's not out of our track record. So we feel pretty confident that we could get this business well in excess of \$300 billion by the end of the decade.

Again, if you run that through distributable earnings, it leads us to a path where the numbers become enormous, over \$5 billion of distributable earnings by the end of the decade. So this business has tremendous, tremendous growth potential and really the ability to participate in this very large scale demographic shift that's occurring. From a value perspective, today the business is worth around \$20 as share for Brookfield. We're using next year's earnings of 2.1 billion, and that \$2.1 billion is net of the fees that accrued to BAM. That's the net earnings that get retained inside the business. By 2030, the business could be worth somewhere between \$42 and \$52 a share.

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I'm going to summarize some key points here. We've spent the last five years building out what we think is the next global part of Brookfield that should deliver growth for many decades to come, and the ingredients in the marketplace are set and our job is to exploit those and really build out the business around them. The opportunity set is enormous. It's enormous on the investment side of the house and it's enormous on how we source capital. If we can bring that together, there is a long runway ahead.

Maybe the most important thing we've done in the last five years is build the foundation for scale. The building blocks of this business are now in place with distribution, with the discipline that we have, with the capital we have, our regulatory expertise, and all of it will work as long as we stay committed to this investment-led approach, which really forces the discipline to put great investments that are completely suited for long-term liabilities, keep the liability risk low, keep the volatility low, and keep the leverage down. If we could just do all that, we'll have an amazing business. Thank you. I'm going to hand it to Bruce now. There we go.

KEY MESSAGES

Bruce Flatt, Chief Executive Officer

Thank you for enduring all of us. I only have four points to end on and then I'll take a few questions. Cocktails start shortly. Number one, Sachin said it better than I'll ever say it, we're positioning BWS as a major component of Brookfield. It started five years ago as nothing. It will be a major, major piece of Brookfield in the longer term. The growing need of wealth is very significant, both from annuities but also from our alternatives that are going to get fed into 401ks and retirement counts around the world.

Sikander said it, many people talked about it, AI is probably one of the most significant things that's going to occur in the investment era in the last 50 years. Power grids are going to double in every single country of the world. Double. They've been flat for 25 years, and they're going to double. On top of that, we're going to build backbone artificial intelligence to drive productivity and businesses that's being led by the technology companies, and we're helping them do that. We're in the very, very early days of this and it's going to be extremely significant. Last, Kevin talked about it, but the real estate recovery is on its way. We've seen this five times before, or I've seen it five times before. The psyche got hurt more this time, but the fundamentals are actually way, way better as we come out of the bottom of the market.

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The foundations are in place to grow the business at 20% over the next five years and we're excited about it. It should lead to a clear path to a 15% annualized return over the longer term. We stuck with 15% for 25 years. I don't know why we keep saying 15%, but we use 15% and we're not changing it. I'll take any questions, if there are any.

QUESTION & ANSWER

Cherilyn Radbourne, TD Cowen

Thanks, Bruce. It's Cherilyn Radbourne from TD Cowen. Just on the topic of insurance, if we think back when Brookfield first brought in private capital to invest alongside the balance sheet, that increased capital efficiency. Using insurance should be another increase in capital efficiency. How would you compare the magnitude?

Bruce Flatt, Chief Executive Officer

Look, I think between wealth and annuities, we kind of think of them the same. I don't know why this is, but we always build our business a little differently than everybody else. Our wealth product for mid-level income customers is going to be annuities. For private wealth, wealthier customers, it's going to be a private wealth product. So between annuity distribution and wealth distribution, I think the retirement markets opening up 20 years from today will be as large or larger than institutional money that we run within the business writ large. I'd say it's pretty transformational.

It's going to be as big as what's happened, and I didn't know what was going to happen 25 years ago. We could see it, we thought it was coming, we just didn't know it was going to transact, but every single year for 25 years, it's grown. I think that's just exactly what you're going to see in wealth. It's not going to be overnight, it never happens overnight. It's incrementally. Today, you can see it happening, and every single year for the next 25 years more capital is going to come from individuals and all of a sudden we're going to wake up 25 years from now and it's going to be the same thing that happened in institutional accounts.

I have one question on the iPad, which I'm not sure I want to answer. What it says is, "you're not doing a very good job, actually it doesn't say that. Closing the gap on the share price to the plan value it seems to be the same as it was five years ago and what are you doing to achieve that?" I would say the

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following, I actually think that the shares trading at some discount to what we believe the full value is. We could achieve the value of full NAV of those numbers if we wanted to liquidate the business tomorrow morning. I'm quite confident we could sell all the businesses for probably premiums to those numbers. If all the shareholders got together and we all decided let's just sell the business, I'm sure we could achieve those numbers.

What's more important is the shareholders own those businesses and they continue to compound and anyone that buys into it actually buys it at a discount, which means the returns that we show you at growing at 20% and earning 15% are actually better. I'd rather people come in and enter at a point where they're going to be more assured of a good experience with us for the next 20 years. Of course, it's always better if you trade closer to your liquidation value, but what's probably more important is that the businesses underlying keep growing and the numbers as stated, even if you don't narrow that discount. At times we will, and at times we do, but even if you don't, the numbers are pretty compelling within the financial metrics of the business and it gives us extreme optionality just to do things in the company.

The security we have at Brookfield Asset Management with the distribution and being a pure play asset management business, that's where a lot of our growth is coming. If we need a security to issue, it has a peer group and a fundamental analysis where people look at it and trades therefore better in the marketplace and closer to value. That's the one. We in Brookfield Corporation, net-net, I don't think we've issued a share for 25 years and I don't think we ever will have the intention of issuing a share again on a net basis. If we ever have to issue one, we'll buy them all back in the market, and it would be only because we did some transaction and we had to give them shares because that's what they wanted. We'd buy them all back in the stock market. I'll take one more question, if there are any. There's one in the back.

Bob Gottesman, First Manhattan

Hi Bruce, this is Bob Gottesman of First Manhattan.

Bruce Flatt, Chief Financial Officer

Hello, Bob.

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Bob Gottesman, First Manhattan

Nice to see you. Question, with all of the assets that you're thinking about that are Brookfield-related going into the insurance portfolio, what's the appropriateness of simply putting BN stock in insurance company portfolios and how much is an appropriate amount? So first question, is this an appropriate investment for one of your insurance companies to own BN stock? And the second, what appropriate amount?

Bruce Flatt, Chief Financial Officer

I think the answer is no. We would not put BN shares into the insurance companies just from a related party standpoint. I think it would just be a stretch too far and I don't think we would do it. I'm not saying it's not a good investment, I'm just saying a regulator may look at it and say, since it's the company that owns the regulated insurance business, I don't think that's not something we would do.

I'll use that just to segue to say that often we say they're Brookfield-related products going into the insurance company, but they're really not Brookfield things. It's a loan we made to some company that Brookfield Asset Management originated and it got put into the insurance company, and that's called a related party transaction. But in fact, often it has nothing to do with quote unquote "Brookfield." It's just being originated by the insurance company. Those things are how they're just defined under regulations.

Okay, you've endured enough. If you have time, we'd love to have a drink downstairs with you. If it's not raining outside, I don't know if it's raining, it'll be outdoors. If it's raining, it'll be indoors. Thank you for being here. Thank you for support of Brookfield, we appreciate it a lot, and I hope you got something out of today's presentation.